

**DEVELOPER'S PUBLIC REPORT  
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	NAALAE VIEW CONDOMINIUM
Project Address	1075 and 1085 NAALAE ROAD KULA MAUI HI 96790
Registration Number	6721
Effective Date of Report	January 12, 2009
Developer(s)	MICHAEL ROSS MCCURDY BRADLEY A. AND JANE GROVER

**Preparation of this Report**

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.*

## **SPECIAL ATTENTION**

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The lines on the Condominium Map dividing the land into limited common element land areas are for illustration purposes only and should not be construed to be formal subdivision lines.

This Public Report does not constitute an approval of the Project by the Real Estate Commission or any other government, nor does it ensure that all County codes, ordinances and subdivision have necessarily been complied with.

There are County restrictions on the number of farm dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing farm dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A FARM DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-FARM DWELLING STRUCTURE TO A FARM DWELING USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a farm dwelling unit, or any other type of structure, on the property. Any reference made to "residential" or "residential unit" in the declaration is hereby clarified to pertain to "farm" or "farm dwelling."

Under the applicable zoning regulations of Maui County Code Section 19.08 (Agricultural Zoning), only two (2) farm dwellings may be constructed on the Property, provided, however, one of the two dwellings shall be no larger than one thousand (1000) square feet in size. For purposes of the Naalae View Condominium Project, Unit B has been designated as the farm dwelling that cannot exceed one thousand (1000) feet in size.

The Developer has submitted a Farm Plan to the County of Maui and executed a Unilateral Agreement and Declaration for Construction of a Farm Dwelling on Lands Zoned County Agricultural District or Designated State Agricultural District (Farm Plan Agreement) that is binding on all owners in the Project. Under the Farm Plan Agreement, owners in the Project must implement the Farm Plan and may not make changes to activities or uses at the Project that are inconsistent with the Farm Plan without prior approval of the County. The Farm Plan agreement also states that failure to implement the Farm Plan shall constitute grounds for the County to revoke or suspend building permits issued and to not issue permits for new structures at the Project. The Farm Plan for this Project will be provided to prospective purchasers, and purchasers are cautioned to confirm that it has been implemented or, if not yet implemented to assess the potential costs and burdens of implementation. PROSPECTIVE PURCHASERS SHOULD CONSULT WITH LEGAL COUNSEL OR THE MAUI COUNTY PLANNING DEPARTMENT REGARDING THE FARM PLAN AGREEMENT AND ITS POTENTIAL IMPACT ON A PURCHASER'S USE OF A UNIT AND ABILITY TO BUILD A NEW DWELLING OR OTHER STRUCTURES.

Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

## SPECIAL ATTENTION (continued)

In a condominium, all of the land included in the condominium remains a single, unsubdivided parcel of land for purposes of zoning and land use regulation. If one unit owner violates a regulation, the violation is attributable to both that owner and the innocent owner of each other unit. For example, if one owner builds or adds to a structure in a manner which violates height limits, size limit, setbacks, building permit requirements, or flood zone rules, or uses the unit for an unauthorized additional dwelling or short term rental, the violation applies to the entire condominium and the innocent unit owner may be subject to fines or may be denied a building permit as long as the violation remains uncured. BUYER SHOULD CONSULT WITH AN ATTORNEY CONCERNING THESE IMPORTANT RISKS.

There is no licensed general contractor for Unit A. Unit A was constructed by Developers Brad and Jane Grover under an owner-builder building permit. Under the contractor licensing law, Hawaii Revised Statutes Chapter 444, owner-builders may build only for their own use and occupancy and may not sell or lease the building within one year of completion.

This condominium is served by a single water meter and water use for all units will be billed to the Association of Unit Owners by the County of Maui Department of Water Supply in a single bill. The Association shall collect payment for the water bill from the owners for the water consumed by each unit as an expense of the unit for such water use. The method of allocation of water use between the units shall be by mutual agreement of the owners, provided, however, at the request of any owner, the Association shall pay for and install a sub-meter upon the waterline serving one of the units to determine the actual amount of water consumed by each unit and, thereafter, the owners shall be billed on a pro-rata basis for the water delivered and consumed by said unit, apportioning the County's billings between both apartments by proportionate metered water usage.

The County of Maui Department of Water Supply may have adopted a policy to require that each unit in a condominium have its separate water meter. This condominium has only one meter, which is shared. This sharing may be in violation of these rules. Due to the current shortage of water in the Department's water system, it may not be possible to obtain additional meters for this property. WATER SERVICE IS NOW BEING PROVIDED TO ALL UNITS AND DEVELOPER KNOWS OF NO INSTANCE WHERE THE WATER DEPARTMENT HAS TERMINATED WATER SERVICE TO A CONDOMINIUM UPON CONVERSION. HOWEVER BUYER IS CAUTIONED THAT BUYER MAY BE REQUIRED TO OBTAIN A METER AS A CONDITION TO THE BUYER'S USE, EXPANSION OR CONSTRUCTION OF BUYER'S UNIT, OR THE ISSUANCE OF A BUILDING PERMIT FOR ANY PURPOSE. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL OR CONTACT THE DEPARTMENT OF WATER SUPPLY FOR ADDITIONAL INFORMATION.

Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office and allowing public access to relevant information regarding sex offenders. A sex offender must provide certain relevant information including the street name and zip code of the sex offender's current and future residence and place of employment. This information is available at the Hawaii Criminal Justice Data Center and at one or more designated police stations in each county. Neither Developer nor any real estate agent is required to obtain information regarding sex offenders.

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## **General Information On Condominiums**

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

## **Operation of the Condominium Project**

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

## 1. THE CONDOMINIUM PROJECT

### 1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	1075 and 1085 Naalae Road Kula, Maui, Hawaii 96790
Address of Project is expected to change because	
Tax Map Key (TMK)	(2) 2-2-015:088 Lot #12A8A2
Tax Map Key is expected to change because	
Land Area	2.036 acres
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

### 1.2 Buildings and Other Improvements

Number of Buildings	3
Floors Per Building	Unit A = 2 story; Unit B = 1 story
Number of New Building(s)	3
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	primarily of concrete, wood, steel, glass and related bldg material

### 1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
2-story hs	1	2 / 2 1/2	2461	877	lanais	3338
Barn	1			1152 / 576	barn / loft	1728
1-story hs	1	2 / 2	1000	548 / 396	garage / lanai	1944
See Exhibit      NA						

2

Total Number of Units

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

#### 1.4 Parking Stalls

Total Parking Stall in the Project:	**
Number of Guest Stalls in the Project:	**
Number of Parking Stalls Assigned to Each Unit:	**
Attach Exhibit <u>NA</u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. ** Unit B has a two-car garage. Also, each unit will have the right to park in the Limited Common Element appurtenant to said unit, including guests.	

#### 1.5 Boundaries of the Units

Boundaries of the unit: The prjct shall consist of 2 units as shown on the condo map. Unit A shall consist of a 2-story hse and a barn. Unit B shall consist of a 1-story hse & attchd garage. Each unit includes, but is not limited to, the exterior finished surfaces of all exterior walls, roofs, doors, windows, & appurtenant structures & also includes all basements, foundations, underpinnings, doors, roofs, windows, structures & other appurtn.
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#### 1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project): See Exhibit A.
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#### 1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:

Described in Exhibit NA.

As follows:  
Unit A - 50%  
Unit B - 50%

#### 1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Other (describe):



### 1.9 Common Elements

**Common Elements:** Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10, below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit G \_\_\_\_\_.

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

### 1.10 Limited Common Elements

**Limited Common Elements:** A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit B \_\_\_\_\_.

Described as follows:

### 1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input type="checkbox"/>	Other:
<input type="checkbox"/>	There are no special use restrictions.

### 1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit C \_\_\_\_\_ describes the encumbrances against title contained in the title report described below.

Date of the title report: August 27, 2008

Company that issued the title report: Title Guaranty of Hawaii, Inc.

### 1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input type="checkbox"/>	Residential		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Agricultural	2	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Ag
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Describe any variances that have been granted to zoning code			Variance from 18.20.040(A) of the Maui Cty Code to delete street improvements for a 2 lot subdiv	

### 1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots			
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>			
	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> <p>NA</p>			

### 1.15 Conversions

<b>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</b>	<input type="checkbox"/> <b>Applicable</b> <input checked="" type="checkbox"/> <b>Not Applicable</b>
Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:	
Developer's statement of the expected useful life of each item reported above:	
List of any outstanding notices of uncured violations of any building code or other county regulations:	
Estimated cost of curing any violations described above:	
<b>Verified Statement from a County Official</b> Regarding any converted structures in the project, attached as Exhibit <u>NA</u> is a verified statement signed by an appropriate county official which states that either:	
(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable: <ul style="list-style-type: none"> <li>(i) Any variances or other permits that have been granted to achieve compliance;</li> <li>(ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and</li> <li>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;</li> </ul> <p style="text-align: center;">or</p>	
(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.	
Other disclosures and information:	

#### 1.16 Project In Agricultural District

<b>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii?</b> <b>If answer is "Yes", provide information below.</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation.	
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information: See important disclosures on page 1a-1b	

#### 1.17 Project with Assisted Living Facility

<b>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS?</b> <b>If answer is "Yes", complete information below.</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.	
The nature and the scope of services to be provided.	
Additional costs, directly attributable to the services, to be included in the association's common expenses.	
The duration of the provision of the services.	
Other possible impacts on the project resulting from the provision of the services.	
Other disclosures and information.	

## 2. PERSONS CONNECTED WITH THE PROJECT

<b>2.1 Developer(s)</b>	Name: Michael Ross McCurdy Bradley A. and Jane Grover  Business Address: 1075 Naalae Road Kula, Maui, Hawaii 96790  Business Phone Number : (808) 878-3070 E-mail Address:
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	
<b>2.2 Real Estate Broker</b>	Name: James A. Dowsett dba Great Hawaii Properties Business Address: Post Office Box 1986 Kamuela, HI 96743  Business Phone Number: 808-885-0036 E-mail Address:
<b>2.3 Escrow Depository</b>	Name: Title Guaranty & Escrow Services Business Address: 80 Puunene Avenue Kahului, Maui, Hawaii 96732  Business Phone Number: (808) 871-2200
<b>2.4 General Contractor</b>	Name: for Brad and Jane Grover (Unit A): owner builder Business Address: for Michael McCurdy (Unit B): Thomas A. Martin 2714 Kamelani Loop  Business Phone Number: Makawao, HI (808) 572-7909
<b>2.5 Condominium Managing Agent</b>	Name: None. Self-managed by association Business Address:  Business Phone Number:
<b>2.6 Attorney for Developer</b>	Name: R. Clay Sutherland Business Address: 140 Hoohana Street, Suite 320 Kahului, Maui, Hawaii 96732  Business Phone Number: (808) 871-8720

### 3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

#### 3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	February 26, 2008	2008-077115

##### Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

#### 3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	February 26, 2008	2008-077116

##### Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

#### 3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4633
Dates of Recordation of Amendments to the Condominium Map:	

### 3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input type="checkbox"/>	
Developer does not plan to adopt House Rules	<input checked="" type="checkbox"/>	

### 3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

### 3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:

#### 4. CONDOMINIUM MANAGEMENT

##### 4.1 Management of the Common Elements

**Management of the Common Elements:** The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

The initial Condominium Managing Agent for this project is (check one):

<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

##### 4.2 Estimate of the Initial Maintenance Fees

**Estimate of the Initial Maintenance Fees:** The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit D contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

##### 4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

##### 4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:

<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)



## 5. SALES DOCUMENTS

### 5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit E contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: August 25, 2008 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit F contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

### 5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

### 5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input checked="" type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

### 5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements:

One year from completion of all improvements for both units.

Appliances:

NA

## 5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: Unit A 2-story house to be completed Dec 2008. Unit A Barn to be completed Dec 2009 Unit B 1-story house to be completed Dec 2008.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: Unit A 2-story house to be completed Dec 2008. Unit A Barn to be completed Dec 2009 Unit B 1-story house to be completed Dec 2008.
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

## 5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

### 5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project.  <i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i>
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### 5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

<b>Box A</b> <input type="checkbox"/>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><b><u>Important Notice Regarding Your Deposits:</u></b> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
<b>Box B</b> <input type="checkbox"/>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <b><u>Important Notice Regarding Your Deposits</u></b> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <b><u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u></b> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <b><u>Important Notice Regarding Your Deposits</u></b> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

**Material House Bond.** If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

## 5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	<b>Developer's Public Report</b>
2.	<b>Declaration of Condominium Property Regime (and any amendments)</b>
3.	<b>Bylaws of the Association of Unit Owners (and any amendments)</b>
4.	<b>Condominium Map (and any amendments)</b>
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Farm Plan Farm Plan Agreement

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)

Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

## 5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

### 5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.  
(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

### **5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed**

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

### **5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change**

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30<sup>th</sup> calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

## **6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT**

Management Conflicts & Deadlocks; Dispute Resolution. The Project's Association of Unit Owners and Board of Directors are responsible for management of the Project. Under the Declaration and Bylaws for this Project, any decision of the Project's Association or Board requires the concurrence of both Owners or their designated representatives on the Board, respectively. The Declaration and Bylaws contain no provisions for breaking deadlocks. In the event of conflicts, disputes or deadlocks between the owners or their representatives, on the Board that cannot be resolved by mutual agreement, the Owners' recourse will be to mediation pursuant to Section 9.1 of the Bylaws and Section 514B-161 of the Act, arbitration pursuant to Section 514B-162 of the Act, or litigation in court.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Michael Ross McCurdy / Bradley and Jane Grover

Printed Name of Developer

By: Jane Grover 8-28-08  
Michael R. McCurdy Date  
Duly Authorized Signatory\*

Jane Grover, Michael R. McCurdy, Bradley A. Grover,  
Printed Name & Title of Person Signing Above Developers

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

\*Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.

## **EXHIBIT A**

### **PERMITTED ALTERATIONS**

1. Repair, reconstruction, restoration, replacement of the Project or any building or other structure or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map shall be undertaken by the Association or any Owners only pursuant to an amendment of this Declaration. Except as expressly provided otherwise in this Declaration, any such amendment shall be duly executed by or pursuant to the affirmative vote of sixty-seven percent (67%) of the Owners and accompanied by the written consent of the eligible holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such eligible holders are allocated and in accordance with complete plans and specifications therefor first approved in writing by the Board. Promptly upon completion of such repair, reconstruction, restoration, replacement, construction, alteration or addition, the Association shall duly Record and file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as-built by a licensed, registered architect or professional engineer.

2. Any other provision in this Declaration to the contrary notwithstanding, any alterations or additions solely within a Unit or within a limited common element appurtenant to and for the exclusive use of a Unit or more than one Unit shall require only the written approval thereof, including the plans thereof, by the Owners of such Unit(s), by the holders of first mortgage liens affecting such Unit (if the lienholders require such approval), by the appropriate agencies of the State of Hawaii and the County of Maui if such agencies so require, by the Board, and by all other Owners thereby directly affected (as determined by the Board). Upon completion of such alterations or additions, the Owner(s) directly affected shall duly Record and file of record an amendment to this Declaration together with the approved plans showing only such alterations or additions within a Unit space or within a limited common element as aforesaid. Such amendment to this Declaration need only be executed by the Owner(s) directly affected and their first mortgagees, as may be required.

3. Any other provision in this Declaration to the contrary notwithstanding and without limiting any other provision in this Declaration, prior to (i) the time that all Units in the Project have been sold, or otherwise transferred, and the conveyance thereof Recorded, Declarant shall have the right, without being required to obtain the consent or joinder of any person or group of persons, including the Association, any Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Project, to do the following:

(a) To make alterations in the Project (and, if appropriate, to amend this Declaration and the Condominium Map accordingly) which change the floor plan of, change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Unit and/or the limited common elements appurtenant thereto, in the Project which is not sold, or otherwise transferred, and the conveyance thereof Recorded; and

(b) To make other alterations in the Project (and, if appropriate, to amend this Declaration and the Condominium Map accordingly) which make minor changes in any Unit in the Project or in the common elements which do not affect the physical location, design or size of any Unit which has been sold and the conveyance thereof Recorded;

provided, however, that any such alterations comply with the Project Documents and all applicable laws and regulations.

END OF EXHIBIT "A"



## **EXHIBIT B**

### **LIMITED COMMON ELEMENTS**

Each Unit shall have appurtenant to it and for its exclusive use the land described in the Condominium Map as appurtenant thereto. The limited common element for Unit A is shown on the Condominium Map as "Limited Common Element Area A" and the limited common element for Unit B is shown on the Condominium Map as "Limited Common Element Area B" (each, a "Limited Common Element Area"). Each Limited Common Element Area is appurtenant to and for the exclusive use of the Unit located therein and which is physically located as shown on the Condominium Map. **NOTE: The boundaries of the Limited Common Element Area appurtenant to each Unit, as shown on the Condominium Map, do not represent County-approved subdivided lots. Such boundaries serve only to delineate the Limited Common Element Area appurtenant to each Unit.** Each Unit shall have appurtenant thereto additional limited common elements as follows:

1. Utility Easement. Unit A shall have an appurtenant non-exclusive five (5) foot wide easement for utility purposes across the Limited Common Element Area (as defined in Exhibit B) appurtenant to Unit B, which easement is designated on the Condominium Map as "Utility Easement". This easement shall be used for the installation, construction, repair, replacement, maintenance, and removal of utilities serving Unit A, and the Owner(s) of Unit A shall have a right-of-entry, to be reasonably exercised, over the Limited Common Element Area appurtenant to Unit B for the purpose of exercising these rights.

2. Access Easement. Unit A shall also have an appurtenant non-exclusive easement for ingress and egress purposes across the Limited Common Element Area (as defined in Exhibit B) appurtenant to Unit B, which easement is designated on the Condominium Map as "Access Easement". This easement shall be for construction of a driveway and used for access purposes in favor of Unit A, and the Owner(s) of Unit A shall have a right-of-entry, to be reasonably exercised, over the Limited Common Element Area appurtenant to Unit B for the purpose of exercising these rights.

**End of Exhibit B**

## EXHIBIT "C"

### ENCUMBRANCES

1. Real Property taxes which may be due and owing. Reference is made to the Real Property Tax Office County of Maui.

2. The terms and provisions contained in the following:

INSTRUMENT: Agreement  
DATED: August 19, 1986  
RECORDED: Liber 19796 Page 345  
PARTIES: Rodney August Weasea and Susan Walton Weasea, husband and wife, and County of Maui and its Department of Water Supply  
RE: Acknowledgement that the Department's public water system is incapable of providing adequate fire protection

3. The terms and provisions contained in the following:

INSTRUMENT: Section 14-04-010(E) Agreement Relating to Fire Protection  
DATED: January 6, 1989  
RECORDED: Liber 22823 Page 598  
PARTIES: Rodney A. Weasea and Susan W. Weasea, husband and wife, and County of Maui and its Department of Water Supply  
RE: Acknowledgement that the Department's public water system is incapable of providing adequate fire protection

4. The terms and provisions contained in the following:

INSTRUMENT: Agreement relating to fire protection  
DATED: July 14, 1989  
RECORDED: Liber 23562 Page 182  
PARTIES: Rodney August Weasea and Susan Walton Weasea, husband and wife, and the Department of Water Supply of the County of Maui

5. The terms and provisions contained in the following:

INSTRUMENT: Subdivision Agreement (three lots or less)

DATED: July 13, 1990  
RECORDED: Document No. 90-109982  
PARTIES: Rodney August Weasea an unmarried man, and  
Michael Ross McCurdy, an unmarried man

6. The terms and provisions contained in the following:

INSTRUMENT: Subdivision Agreement (Agricultural Use)  
DATED: July 13, 1990  
RECORDED: Document No. 90-109983  
PARTIES: Rodney August Weasea an unmarried man and  
Michael Ross McCurdy, an unmarried man

7. The terms and provisions contained in the following:

INSTRUMENT: Agreement for Allocation of Future Subdivision  
Potential  
DATED: November 18, 2003  
RECORDED: Document No. 2004-006509  
PARTIES: Michael Ross McCurdy and County of Maui  
through its Department of Public Works and  
Environmental Management

8. The terms and provisions contained in the following:

INSTRUMENT: Subdivision Agreement (Agricultural Use)  
DATED: September 17, 2003  
RECORDED: Document No. 2004-035165  
PARTIES: Michael Ross McCurdy and County of Maui  
through its Department of Planning

9. The terms and provisions contained in the following:

INSTRUMENT: Agreement re: Development of Kula Lot TMK: 2-2-  
15:36, Lot 12-A-8-A  
DATED: March 21, 2005  
RECORDED: Document No. 2005-141583  
PARTIES: Michael Ross McCurdy (Seller/Borrower) and  
Bradley A. Grover and Jane Grover  
(Buyers/Lenders)  
RE: Option to Purchase

NOTE: This Agreement will be released prior to conveyance of units.

10. The terms and provisions contained in the following:

INSTRUMENT: Hold Harmless Agreement  
DATED: October 31, 2005  
RECORDED: Document No. 2006-005139  
PARTIES: Michael Ross McCurdy and County of Maui  
RE: Variance

11. The terms and provisions contained in the following:

INSTRUMENT: Unilateral Agreement and Declaration for  
Construction of a Farm Dwelling on Lands Zoned  
County Agricultural District or Designated State  
Agricultural District  
DATED: September 27, 2007  
RECORDED: Document No. 2007-185428

12. The terms and provisions contained in the following:

INSTRUMENT: Tenants in Common Agreement  
DATED: September 20, 2007  
RECORDED: Document No. 2007-188156  
PARTIES: Michael Ross McCurdy and Bradley A. Grover and  
Jane Grover, husband and wife

NOTE: This Agreement will be released prior to conveyance of units.

13. The terms and provisions contained in the following:

INSTRUMENT: Agreement  
DATED: September 20, 2007  
RECORDED: Document No. 2007-188157  
PARTIES: Michael Ross McCurdy and Bradley A. Grover and  
Jane Grover, husband and wife

NOTE: This Agreement will be released prior to conveyance of units.

14. The terms and provisions contained in the following:

INSTRUMENT: Declaration of Condominium Property Regime for  
"Naalae View Condominium" condominium project  
DATED: February 26, 2008  
RECORDED: Document No. 2008-077115  
MAP: 4633 and any amendments thereto

15. The terms and provisions contained in the following:

INSTRUMENT: By-Laws of the Association of Unit Owners

DATED:  
RECORDED:

February 26, 2008  
Document No. 2008-077116

END OF EXHIBIT C

## **EXHIBIT "D"**

### Estimate of Initial Maintenance Fees

There are no common elements so developer does not expect that there will be any common elements expenses. In the event the Declaration is amended such that common elements are created, the repair and maintenance of such common elements shall be budgeted for and collected by the Association from the owners, and property insurance, as required by Section J.1 of the Declaration shall be obtained as applicable, and the cost of such insurance shall be allocated among the unit owners.

## **EXHIBIT "E"**

### **SUMMARY OF SALES CONTRACT**

The Condominium Deposit Receipt and Sales Contract (the "Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy a unit in the Project. Among other things, the Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.

(b) That the purchaser acknowledges having received and read a public report for the Project prior to signing the Sales Contract.

(c) That the Developer makes no representation concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.

(d) That the Sales Contract may be subordinate to the lien of a construction lender.

(e) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(f) Requirements relating to the purchaser's financing of the purchase of a unit.

(g) That the unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(h) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.

(i) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(j) That the Developer has reserved the rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.

(k) That the purchaser will not receive interest on deposits made under the Sales Contract.

(l) In the event of a default by the purchase under the Sales Contract, the Developer may, in addition to other remedies, be entitled to all deposits paid by the purchaser as liquidated damages.

(m) If any dispute or claim arises out of this contract and/or the apartment or buyer's interest in the common elements prior to, or at any time after closing, between buyer and seller and the parties to such dispute or claim are unable to resolve the dispute, buyer and seller agree in good faith to attempt to settle such dispute or claim by non-binding mediation conducted under the commercial mediation rules of the American Arbitration Association.

(n) If the dispute between the parties is not resolved by mediation as provided in section 6(a) of the Sales Contract, the dispute or claim any and all claims or disputes of any kind arising from or relating to this agreement and/or the apartment or buyer's interest in all of the common elements after the closing shall be submitted to final and binding arbitration pursuant to and in accordance with the guidelines of the commercial rules of the American Arbitration Association, and the ruling of the arbitrator shall be binding on the buyer and its successors and assigns (including successor owners of the apartment).

The Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Sales Contract on file with the Real Estate Commission.

END OF EXHIBIT "E"



## **EXHIBIT "F"**

### **SUMMARY OF PERTINENT PROVISIONS OF ESCROW AGREEMENT**

The executed Escrow Agreement dated August 25, 2008, identifies Title Guaranty Escrow Services, Inc., as the "Escrow" and sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party. Under the Escrow Agreement, these things will or may happen:

- a. Escrow will let the purchaser know when payments are due.
- b. Escrow will arrange for the purchaser to sign all necessary documents.
- c. The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and perspective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

**END OF EXHIBIT "F"**

## EXHIBIT G

### COMMON ELEMENTS

Common Elements. Each Owner may use the common elements of the Project in accordance with the purpose for which they are intended without hindering or encroaching upon the lawful rights of the other Owners. The common elements of the Project shall specifically include, but are not limited to, the following:

- (a) The land described in Exhibit "A" of the declaration, in fee simple.
- (b) All sewer and water lines, drainage facilities, electrical equipment, wiring, pipes, meters and other central and appurtenant facilities and installations over, under and across the Project which serve more than one Unit for services such as power, light, water, gas, telephone, sewer and radio and television signal distribution, if any.
- (d) All the benefits, if any, inuring to the land or to the Project from all easements, if any, shown on the Condominium Map or listed in Exhibit "A" of the declaration.
- (e) Any and all apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.